



AGENDA REPORT

City Council Meeting

TODAY'S DATE: June 12th, 2025

MEETING DATE: June 18th, 2025

TO: Mayor Grimm, members of the Sandpoint City Council

FROM: Jason Welker, Planning & Community Development Director

SUBJECT: Presentation and Discussion re: James E. Russell Sports Center Financial Performance and Future Operations

DESCRIPTION/BACKGROUND:

The purpose of this agenda item is to present a summary of recent community feedback related to the James E. Russell Sports Center and to seek Council direction on a preferred operational model for the facility going forward.

At the May 28th special City Council workshop held at the JER Sports Center, staff presented a six-month financial report and four options for future operations. The presentation, titled "JER Reflections and Path Forward," outlined operational challenges, cost recovery comparisons, and potential enhancements. The workshop was attended by approximately 100 members of the public, many of whom participated in an on-site survey. The survey results and public input were supplemented by additional comments and discussion at the June 11th Parks and Recreation Commission meeting.

These community engagement activities provided valuable insights from user groups, citizens, and commission members regarding expectations and ideas for improving the JER's financial performance and community benefit.

COMMUNITY INPUT SUMMARY:

May 28th Special Council Workshop at JER Sports Center:

The May 28th Special Council workshop included extensive council dialogue and public comment. Key takeaways included:

- Council members generally acknowledged the facility's strong early cost recovery (54%) but noted low member retention and limited program offerings as primary concerns.
- Public comments revealed divided sentiment, with racquet sport enthusiasts urging patience and incremental improvements, while many field and court sport advocates expressed strong support for a multi-sport adaptation.
- The majority of speakers emphasized the importance of maximizing community access and program variety, especially for youth and underrepresented groups.

Meeting Attendee Survey:

Of the 100 or so attendees at the May 28th meeting, 73 completed the online survey. Results indicated that:

- **36 favored Option 2: Multi-Sport Adaptation**, citing the need for indoor space for basketball, volleyball, and turf-based sports during the winter.
- **24 favored Option 1: Stay the Course**, arguing that the new facility supervisor should be given a chance to implement his vision, that the original intent of the gift was for a tennis and pickleball facility, NOT a multi-sport facility, many also noting that given only limited marketing and programming has taken place to date, the City should stay has not given the facility time to establish demand from the primary user groups.
- **13 favored Option 3: Third-party Operator**, sharing sentiments like “let the experts run the facility,” a shared skepticism of multi-use efficiency, and advocating for volunteerism and sponsorships to help improve the facilities cost recovery ratio.

Overall, the split between respondents who favor a multi-sport adaptation of the sports center and those who favor preserving the facility for the primary user groups of tennis and pickleball was **50/50**.

Below is a list of diverse perspectives shared in the survey comment section reflecting both sides of the debate – those in favor of a multi-sport adaptation (Option 2) and those advocating to preserve the facility for tennis and pickleball (Options 1 and 3).

Support for Multi-Sport Adaptation (Option 2)

- *“This shows a true investment in the youth sports in our community.”*
- *“Gym space is nearly impossible in this town during basketball season.”*
- *“By converting JER to multi-use you are opening up significant revenue streams and engaging the larger community in JER’s success.”*
- *“You are creating a space for locals who live and recreate in Sandpoint year-round. You are engaging the youth and their tax-paying parents.”*
- *“This will be a huge boost to spring sports that do not have access to adequate indoor practice space.”*

Support for Tennis and Pickleball Focus (Options 1 and 3)

- *“Give the tennis/pickleball community a chance with programming options, clinic options, social options that the CITY SUPPORTS AND PROMOTES!!!!”*
- *“Let the new rec facilities manager run the JER as it was envisioned with dynamic programming that takes full advantage of this world class racquet and paddle facility.”*
- *“The donation was specifically made for racquet sports. Adding sports courts or turf will not maximize the usage—it’s a trade-off from one member group to another.”*
- *“Consider the original gift from the Russell family. In under four months you mismanaged JER with no programming to grow the sports. Let the USTA make the effort for a few years.”*
- *“All sports need indoor winter amenities, but this facility was designed for racquet sports. Other groups should seek their own donors.”*

June 11TH Parks and Recreation Commission Meeting:

The June 11th meeting of the Sandpoint Parks and Recreation Commission was the first convening of the group since the May 28th City Council workshop on JER. The meeting also served as an opportunity to introduce new commissioners, many of whom bring substantial professional and personal experience in youth sports, recreation programming, and facility management. This diverse expertise shaped the discussion that followed regarding JER’s future operations.

Recreation Facilities Supervisor Ryan Wells, now in his second week on the job, was introduced and provided a candid update on the state of operations at JER. He emphasized that the facility was still in a “soft opening” phase and undergoing final construction punch-list work. Ryan also shared plans for

improving member engagement, expanding programs, and potentially launching a volunteer staffing model to extend hours without increasing costs.

Commissioners welcomed Wells' energy and vision, with several expressing enthusiasm for the direction he hopes to take the facility. There was strong consensus that the JER has not yet reached its full potential and that staffing stability, community partnerships, and deliberate programming will be critical to turning it into a true community hub.

While no formal recommendation was made, commissioners asked staff to convey to City Council the general sentiment expressed in the discussion:

- There was broad support for **expanding the use of the facility beyond just tennis and pickleball**, in a way that engages more youth and team sports participants. Several commissioners noted the acute **shortage of indoor gym space for youth basketball, volleyball, and off-season field sport practices**.
- Commissioners emphasized the need to **balance community-wide access with the donor's intent**. Some saw value in **integrating limited multi-use opportunities while preserving core racquet sport functionality** and prioritizing member retention.
- Many agreed that regardless of the direction chosen, **investments in programming, staffing, and marketing would be necessary** to ensure any operational model succeeds.
- One recurring theme was **the need for clear communication to the public**—especially around the evolving purpose and role of JER, and what the City is doing to **ensure the facility serves the greatest number of residents**.

Commissioners appreciated the complexity of the decision before Council and affirmed their willingness to support any implementation strategy that is clearly communicated, equity-focused, and financially sustainable. Staff was asked to relay these perspectives to Council to inform deliberation and any action taken at the June 18th meeting.

Operational Options Reviewed

1. **Option 1: Stay the Course** – Maintain current in-house operations under new leadership and enhance member services and retention.
2. **Option 2: Multi-Sport Adaptation** – Convert some courts for basketball, volleyball, and/or turf field use. Options council could pursue include:
 - Multi-sport court with basketball and volleyball equipment. Could also include batting cages with turf strips for baseball/softball use. Cost: \$150,000 - \$160,000
 - Portable turf field for one tennis court: Cost: \$130,000 - \$150,000.
 - Coversports special event floor covering for two or three courts: Cost - \$28,000 – \$42,000.
3. **Option 3: Third-Party Operator** – Lease to a partner such as USTA Pacific Northwest to manage and program the facility. No formal proposal has been submitted by USTA PNW as of the writing of this staff report.
4. **Option 4: Minimal Operations** – Reduce hours and staff to limit expenses, likely reducing community benefit and revenue.

Financial Update

The attached financial report for the first six months of operations confirms:

- **Total revenues:** \$72,090
- **Total operating expenses:** \$138,837
- **Year-to-date cost recovery:** 54%

- **Estimated year-end shortfall:** ~\$101,000

Notably, these figures do not reflect potential gains from improved management, which began June 2nd with the hiring of Recreation Facilities Supervisor Ryan Wells. Wells has already initiated efforts to increase memberships, expand programming, and evaluate volunteer staffing models to extend hours at minimal cost.

STAFF RECOMMENDATION:

Staff requests that Council provide direction on which of the four operational options outlined above should be implemented. Council's input will guide program development, facility improvements, and staffing strategies in the months ahead.

We also remind Council that the current performance of the facility is based on an initial soft opening phase and transitional management structure. With new leadership in place, outcomes in the second half of 2025 may differ significantly from the first six months.

ACTION:

Please provide staff with direction to:

- Adopt one of the four operating models, or
- Request revisions and return for further Council review.

WILL THERE BE ANY FINANCIAL IMPACT? HAS THIS ITEM BEEN BUDGETED?

ATTACHMENTS:

1. JER Reflections and Path Forward PowerPoint presentation
2. Public meeting survey results
3. Financial Report: December 2024 – May 2025